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DW Feb-11

Paper No. 9

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**MAILED**  
**FEB 15 2011**  
**OFFICE OF PETITIONS**

In re Patent No. 5,820,407	:	
Issue Date: 10/13/1998	:	DECISION
Application Number: 08/844,879	:	DISMISSING PETITION
Filing Date: 04/22/1997	:	
Attorney Docket Number: 11741.01	:	

This is a decision on the paper filed on December 14, 2010,  
styled as a petition under 37 CFR 1.378(b).

The petition is **dismissed**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400.00 as set forth in 37 CFR 1.17(f).

The patent issued on October 13, 1998. The first and second maintenance fees were timely paid. The third maintenance fee could have been paid during the period from October 13, 2009 through April 13, 2010, or, with a surcharge, during the period from April 14, through October 13, 2010. The patent expired at midnight on October 13, 2010, for failure to timely pay the third maintenance fee.

At the outset, the petition form is not properly signed. 37 CFR 1.378(d) states that any petition under this section must be signed by an attorney or agent registered to practice before the Patent and Trademark Office, or by the patentee, the assignee, or other party in interest.

The petition has been signed by only one of the two joint inventors, and therefore has not been signed on behalf of the owners of the entire interest. If the petition is being signed on behalf of an assignee, the Statement Under 37 CFR 3.73(b) must be completed and returned, with any renewed petition. A copy of this form is enclosed for petitioners' reference.

Inventor David Morse states in pertinent part:

On Oct. 4, 2010 I gave exclusive license to Medici Portfolio and part of the contract provided that Medici was going to pay the maintenance due on October 13, 2010. Recently I was advised by my patent attorney Richard Litman, that the U.S.P.T.O. sent a notice that the fees had not been paid.

In support, petitioner has provided a copy of a licensing agreement stating, in part, that the "Licensee agrees that it alone shall bear the costs of any legal fees or costs associated with such proceedings, as well as any domestic and/or foreign maintenance fees."

A petition to accept the delayed payment of a maintenance fee under 35 USC 41(c) and 37 CFR 1.378(b) must be accompanied by (1) an adequate, verified showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent, (2) payment of the appropriate maintenance fee, unless previously submitted, and (3) payment of the surcharge set forth in 37 CFR 1.20(i)(1).

The petition lacks the showing required by item (1) above.

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable".<sup>1</sup> A patent owner's failure to pay a maintenance fee may be considered to have been "unavoidable" if the patent owner "exercised the due care of a reasonably prudent person."<sup>2</sup> This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."<sup>3</sup> Unavoidable delay under 35 U.S.C. § 41(b) is measured by the same standard as that for reviving an abandoned application under 35

<sup>1</sup> 35 U.S.C. § 41(c)(1).

<sup>2</sup> Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

<sup>3</sup> Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

U.S.C. § 133.<sup>4</sup> Under 35 U.S.C. § 133, the Director may revive an abandoned application if the delay in responding to the relevant outstanding Office requirement is shown to the satisfaction of the Director to have been "unavoidable". Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.<sup>5</sup> However, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay.<sup>6</sup> In view of In re Patent No. 4,409,763,<sup>7</sup> this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unavoidable.<sup>8</sup> 35 U.S.C. § 133 does not require the Director to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Director that the delay in payment of a maintenance fee is unavoidable.<sup>9</sup>

As 35 USC § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 USC § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees.<sup>10</sup> That is, an adequate showing that the delay in payment of the maintenance fee at issue was

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<sup>4</sup> In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

<sup>5</sup> Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) (the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

<sup>6</sup> Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

<sup>7</sup> 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

<sup>8</sup> See Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960).

<sup>9</sup> See Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992); Ray v. Lehman, supra.

<sup>10</sup> Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

"unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible party to ensure the timely payment of the second maintenance fee for this patent.<sup>11</sup>

At the outset, reliance upon third party prosecution of a patented file without an express contractual obligation does not constitute unavoidable delay within the meaning of 35 U.S.C. § 133.<sup>12</sup> Assuming, *arguendo*, such a contract does exist, petitioner is further required to show what steps were taken by petitioner to inquire as to the third party's reasonably diligent efforts to timely pay the maintenance fees.<sup>13</sup> If petitioner cannot provide evidence that a third party was contractually obligated to pay the maintenance fees for the present patent and that petitioner had maintained inquiry with that third party as to the steps taken to timely pay the maintenance fee, then petitioner must indicate what steps were taken by the petitioner to ensure timely payment of the maintenance fee.

As noted above, petitioner has provided a copy of the licensing agreement showing the obligation of the licensee to pay the maintenance fee. However, petitioner is further required to show what steps were taken by petitioner to inquire as to the third party's reasonably diligent efforts to timely pay the maintenance fees. As such, petitioner must attempt to obtain a statement from the license stating what efforts were taken to timely pay the maintenance fee, and why the delay in payment of the maintenance fee is unavoidable. Affidavits or declarations of facts from all persons with first-hand knowledge regarding the failure to timely pay the maintenance fee must be provided with any renewed petition.

Any renewed petition must be accompanied by evidence supporting a conclusion that the failure to timely pay the maintenance fee was unavoidable. As a sufficient showing has not been provided, the petition is dismissed.

Petitioners are cautioned to avoid submitting personal information in a patent application that may contribute to identity theft. If personal information such as social security numbers, bank account numbers, or credit card numbers are included in documents submitted to the USPTO (other than a check or credit card authorization form PTO-2038 submitted for payment

<sup>11</sup> Id.

<sup>12</sup> See Futures Tech. Ltd. v. Quigg, 7 USPQ2d 1588 (E.D. Va. 1988).

<sup>13</sup> See Winkler v. Ladd, 138 USPQ 666 (Comm'r Pat. 1963).

purposes), petitioners should consider redacting such personal information from the documents before submitting them to the USPTO. This type of personal information is never required by the USPTO to support a petition or an application. Petitioner is advised that any information submitted in an application is available to the public after publication of the application (unless a non-publication request in compliance with 37 CFR 1.213(a) is made in the application) or issuance of a patent. Furthermore, information from an abandoned application may also be available to the public if the application is referenced in a published application or an issued patent (see 37 CFR 1.14). Checks and credit card authorization forms PTO-2038 submitted for payment purposes are not retained in the application file and therefore are not publicly available.

Petitioners should note that if this petition is not renewed, or if renewed and not granted, then the maintenance fee and post-expiration surcharge are refundable. The \$400.00 petition fee for seeking reconsideration is not refundable. Any request for refund should be in writing to the address noted below.

#### **ALTERNATIVE VENUE**

Petitioners may wish, in the alternative, to request reconsideration in the form of a petition under 37 CFR 1.378(c), requesting that the unintentionally delayed payment of a maintenance fee be accepted. A petition to accept the delayed payment of a maintenance fee under 35 U.S.C. 41(c) and 37 CFR 1.378(c) must be filed within twenty four months from the end of the six month grace period (e.g., the expiration date of the patent and be accompanied by (1) a verified statement that the delay was unintentional, (2) payment of the appropriate maintenance fee, unless previously submitted, (3) payment of the \$1,640.00 surcharge (the \$700.00 surcharge already paid may be credited thereto leaving a balance due of \$940.00) set forth in 37 CFR 1.20(i)(2). The statement can be verified by using the attached petition form which includes a declaration according to 37 CFR 1.68.

The filing of a petition under the unintentional standard cannot be intentionally delayed and therefore should be filed promptly. A person seeking revival due to unintentional delay can not make a statement that the delay was unintentional unless the entire delay, including the delay from the date it was discovered that the patent was expired until the filing of the petition to reinstate under 37 CFR 1.378(c), was unintentional. A statement that the delay was unintentional is not appropriate if petitioner

intentionally delayed the filing of a petition for revival under 37 CFR 1.378(c).

37 CFR 1.378(d) states that any petition under this section must be signed by an attorney or agent registered to practice before the U.S. Patent and Trademark Office, or by the patentee, the assignee, or other party in interest.

Petitioner should complete the attached Statement Under 37 CFR 3.73(b) and return it with a properly signed petition under 37 CFR 1.378(c).

The address in the petition is different than the correspondence address. A courtesy copy of this decision will be mailed to the address in the petition. All future correspondence, however, will be mailed solely to the address of record. A change of correspondence address should be filed if the correspondence address needs to be updated.

Further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop PETITIONS  
Commissioner for Patents  
Post Office Box 1450  
Alexandria, VA 22313-1450

By hand: Customer Service Window  
Mail Stop Petitions  
Randolph Building  
401 Dulany Street  
Alexandria, VA 22314

By fax: (571) 273-8300  
ATTN: Office of Petitions

Telephone inquiries related to this decision should be directed to the undersigned at (571) 272-3231.



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